

**APPENDIX A2.1.3**

**ILLUSTRATIVE PROGRAM SPECIFIC EXAMINATION**

**CHILD AND ADULT CARE FOOD PROGRAM**

**SPONSOR OF INDEPENDENT CENTERS  
(FIXED PERCENTAGE METHOD)**

**LITTLE COUNTRY SCHOOL**

**FISCAL YEAR ENDED SEPTEMBER 30, 19X9**

**Program-Specific Examination**

**LITTLE COUNTRY SCHOOL  
Fiscal Year Ended September 30, 19X9**

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**Program-Specific Examination**

**LITTLE COUNTRY SCHOOL  
Fiscal Year Ended September 30, 19X9**

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**XYZ Child Development, Inc.**

**GENERAL INFORMATION**

September 30, 19X9

1. Full official name of the agency ..... Little Country School
2. Program name and agreement number:  
  
California Department of Education, Child and Adult Care Food Program,  
Agreement No. ....xx-xxxx-x-M
3. Type and Description of agency ..... Tax-exempt, Nonprofit  
corporation providing educational programs for the care of children outside their homes.
4. Address of agency headquarters .....1000 N. Main Street  
Smalltown, CA 9xxxx
5. Names and address of Executive Director  
and name of Chief Executive Officer, Business  
Officer, or Accountant  
  
Executive Director ..... Gina Anonymous  
2000 S. Child Drive  
Smalltown, CA 9xxxx  
  
Business Officer ..... Joe McNice
6. Telephone number .....(916) 555-1212
7. Period covered by examination ..... October 1, 19X8 through September 30, 19X9
8. Number of days of agency operation ..... 250 days
9. Scheduled hours of operation each day ..... 7:00 a.m to 6:00 p.m

Accountant's Letterhead

**Independent Accountant's Report**

Board of Directors  
Little Country School

We have examined the accompanying statement of claims for reimbursement submitted by **Little Country School** under the Child and Adult Care Food Program (CACFP) (Sponsor Agreement No. xx-xxxx-x-M) as summarized in the Statement of Claim for the period from October 1, 19X8 through September 30, 19X9.

Our examination was made in accordance with the *Statement of Standards of Attestation Engagements* established by the American Institute of Certified Public Accountants and with generally accepted auditing standards; the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations* and included tests of the program and accounting records prescribed by the Office of the Inspector General of the United States Department of Agriculture (OIG-USDA), as set forth in its *Audit Guide for Audits of Child and Adult Care Food Program Institutions*, No. 27029-2, dated February 18, 1999, for examinations of this program.

In our opinion, the aforementioned claims present fairly, in all material respects, the number of meals and/or supplements eligible for CACFP reimbursement for the period October 1, 19X8 through September 30, 19X9.

In accordance with *Government Auditing Standards*, we have also issued our report dated November XX, 19X9, on our consideration of **Little Country School's** internal control over financial reporting and our tests of CACFP compliance with certain provisions of laws, regulations, contracts and grants.

Bean, Bean & Counter  
Certified Public Accountants

November XX, 19X9

LITTLE COUNTRY SCHOOL

STATEMENT OF CLAIM

Agreement No.: xx-xxxx-x-M

19X9 CHILD AND ADULT CARE FOOD PROGRAM - INDEPENDENT CENTERS

For the Period of October 1, 19X8 to September 30, 19X9

Reimbursement per Examination (Supported by Exhibits A - H as needed)	\$ 1,761,332.06
Program Reimbursements Claims and Received*	<u>\$ 1,762,325.91</u>
Amount Due From Sponsor	\$ <u>993.85</u>

Footnotes:

\* Actual reimbursements received from administering agency should also include administrative reimbursement received for Center(s).

Should also include income that accrued to the program.

A footnote should reflect if the CACFP claims for reimbursement have been paid or not.

Should also include revised claims.

Auditor's Letterhead

**Independent Accountant' s Report on Supplementary Information -**

Board of Directors  
Little Country School

We have examined the accompanying statement of claims for reimbursement submitted by **Little Country School** under the Child and Adult Care Food Program (CACFP) (Sponsor Agreement No. xx-xxxx-x-M) as summarized in the Statement of Claim for the period from October 1, 19X8 through September 30, 19X9, and have issued our report dated November XX, 19X9.

We conducted our examination in accordance with the *Statement of Standards of Attestation Engagements* established by the American Institute of Certified Public Accountants and with generally accepted auditing standards; the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations* and included tests of the program and accounting records prescribed by the Office of the Inspector General of the United States Department of Agriculture (OIG-USDA), as set forth in its *Audit Guide for Audits of Child and Adult Care Food Program Institutions*, No. 27029-2, dated February 18, 1999, for examinations of this program.

Our examination was made for the purpose of forming an opinion on the aforementioned CACFP claims of **Little Country School** taken as a whole. The accompanying supplementary information in Exhibits A through J is presented on pages A2.1.3-5 through A2.1.3-17 for purposes of additional analysis and is not a required part of the Statement of Claim. The information in those exhibits has been subjected to the examination procedures applied in the examination of the Statement of Claim and, in our opinion, is fairly stated in all material respects, in relation to the CACFP claims for reimbursement as summarized in the Statement of Claim taken as a whole.

Bean, Bean & Counter  
Certified Public Accountants

November XX, 19X9

LITTLE COUNTRY SCHOOL  
CHILD AND ADULT CARE FOOD PROGRAM – INDEPENDENT CENTERS  
SUMMARY OF CLAIM  
FOR THE PERIOD OCTOBER 1, 1998 TO SEPTEMBER 30, 1999

Amount Reimbursable from the General Fund:			\$1,586,366.31
Less General Funds Payments To Date:			<u>1,587,226.47</u>
General Fund Reimbursement Variance -	(Overpaid):		\$(860.16)
	<u>Allowed</u>	<u>Paid</u>	
Cash-In-Lieu Reimbursement:	<u>\$93,399.65</u>	<u>\$93,473.40</u>	<u>(73.75)</u>
Total General Fund Reimbursement Variance -	(Overpaid):		\$(933.91)
	<u>Allowed</u>	<u>Paid</u>	
State Meal Compensation:	<u>\$81,566.10</u>	<u>\$81,626.04</u>	<u>(59.94)</u>
Total Program Reimbursement (State and Federal)			
(Overpaid) – Refund Due To The State:			<u>\$(993.85)*</u>

## Footnote:

*Excess funds retained by Sponsor	(\$305.60)
Disallowed Meals	(688.26)
Rounding adjustment	.01
	<u>\$993.85</u>



LITTLE COUNTRY SCHOOL  
CHILD AND ADULT CARE FOOD PROGRAM – INDEPENDENT CENTERS  
SCHEDULE OF REPORTED, ADJUSTED, ALLOWED MEALS AND EARNED REIMBURSEMENT  
FOR THE PERIOD OCTOBER 1, 1998 TO SEPTEMBER 30, 1999

	<u>Reported</u>	<u>Adjusted Meals*</u>	<u>Allowed</u>	(July 1998-June 1999) <u>Food Service Rates</u>	<u>Revenue Recognized</u>	<u>Audit Adjustment</u>	<u>Earned Reimbursement</u>
General Reimbursement					\$1,138,374.48	\$(860.16)	\$1,137,514.32
Cash-In-Lieu	<u>458,955</u>	<u>(500)</u>	<u>458.455</u>	.1475	<u>67,695.86</u>	<u>(73.75)</u>	<u>67,622.11</u>
Federal Reimbursement					\$1,206,070.34	\$(933.91)	\$1,205,136.43
State Meal Compensation	<u>442,286</u>	<u>(449)</u>	<u>441,837</u>	.1335	<u>\$ 59,045.18</u>	<u>\$ (59.94)</u>	<u>\$ 59,985.24</u>
				(July 1999-June 2000) <u>Food Service Rates</u>			
General Reimbursement					\$448,851.99	\$0.00	\$448,851.99
Cash-In-Lieu	<u>180,895</u>	<u>0</u>	<u>180,895</u>	.1425	<u>25,777.54</u>	<u>0.00</u>	<u>25,777.54</u>
Federal Reimbursement					\$474,629.53	\$0.00	474,629.
State Meal Compensation	<u>169,145</u>	<u>0</u>	<u>169,145</u>	.1335	<u>\$22,580.86</u>	<u>\$0.00</u>	<u>\$22,580.86</u>
<b>Grand Totals</b>							
<u>Total General Reimbursement</u>					<u>\$1,587,226.47</u>	<u>\$(860.16)</u>	<u>\$1,586,366.31**</u>
<u>Total Cash-In-Lieu</u>					<u>\$93,473.40</u>	<u>\$(73.75)</u>	<u>\$93,399.65**</u>
<b>Total State Meal Compensation</b>					<b><u>\$81,626.04</u></b>	<b><u>\$(59.94)</u></b>	<b><u>\$81,566.10**</u></b>
Total Program Reimbursement (State and Federal) Overpaid – Refund Due the State						<u>\$(993.85)</u>	

Footnotes:

\*Adjustments are the result of: (1) eligibility category changes; (2) meal count errors; (3) meals served in excess of site licensed capacity.

\*\*Includes rounding adjustments: General .16, Cash-In-Lieu .02, State Meal .02

LITTLE COUNTRY SCHOOL  
CHILD AND ADULT CARE FOOD PROGRAM – INDEPENDENT CENTERS  
SCHEDULE OF REPORTED, ADJUSTED, AND ALLOWED MEALS  
FOR THE PERIOD OCTOBER 1, 1998 TO SEPTEMBER 30, 1999

	<u>Reported</u> <u>Oct 1, 1998 to Oct 31, 1998</u>	<u>Adjusted*</u>	<u>Allowed</u>	<u>Reported</u> <u>Nov 1, 1998 to Nov 30, 1998</u>	<u>Adjusted</u>	<u>Allowed</u>	<u>Reported</u> <u>Dec 1, 1998 to Dec 31, 1998</u>	<u>Adjusted</u>	<u>Allowed</u>
<b>Breakfast</b>									
Free	16,655	0	16,655	15,064	0	15,064	17,980	0	17,980
Reduced	2,227	0	2,227	2,073	0	2,073	2,373	0	2,373
Base	<u>2,168</u>	<u>0</u>	<u>2,168</u>	<u>2,218</u>	<u>0</u>	<u>2,218</u>	<u>2,637</u>	<u>0</u>	<u>2,637</u>
Total	<u>21,050</u>	<u>0</u>	<u>21,050</u>	<u>19,355</u>	<u>0</u>	<u>19,355</u>	<u>22,990</u>	<u>0</u>	<u>22,990</u>
<b>Lunch</b>									
Free	23,842	(396)	23,446	21,946	0	21,946	25,588	0	25,588
Reduced	3,188	(53)	3,135	3,020	0	3,020	3,376	0	3,376
Base	<u>3,104</u>	<u>(51)</u>	<u>3,053</u>	<u>3,231</u>	<u>0</u>	<u>3,231</u>	<u>3,753</u>	<u>0</u>	<u>3,753</u>
Total	<u>30,134</u>	<u>(500)</u>	<u>29,634</u>	<u>28,197</u>	<u>0</u>	<u>28,197</u>	<u>32,717</u>	<u>0</u>	<u>32,717</u>
<b>Supplements</b>									
Free	30,676	0	30,676	28,625	0	28,625	32,990	0	32,990
Reduced	4,102	0	4,102	3,939	0	3,939	4,353	0	4,353
Base	<u>3,994</u>	<u>0</u>	<u>3,994</u>	<u>4,215</u>	<u>0</u>	<u>4,215</u>	<u>4,838</u>	<u>0</u>	<u>4,838</u>
Total	<u>38,772</u>	<u>0</u>	<u>38,772</u>	<u>36,779</u>	<u>0</u>	<u>36,779</u>	<u>42,181</u>	<u>0</u>	<u>42,181</u>
<b>Supper</b>									
Free	12,657.	0	12,657	10,919	0	10,919	13,102	0	13,102
Reduced	1,692	0	1,692	1,503	0	1,503	1,729	0	1,729
Base	<u>1,648</u>	<u>0</u>	<u>1,648</u>	<u>1,607</u>	<u>0</u>	<u>1,607</u>	<u>1,921</u>	<u>0</u>	<u>1,921</u>
Total	<u>15,997</u>	<u>0</u>	<u>15,997</u>	<u>14,029</u>	<u>0</u>	<u>14,029</u>	<u>16,752</u>	<u>0</u>	<u>16,752</u>

Footnotes:

\* Adjustments are the result of: (1) eligibility category changes; (2) meal count errors; (3) meals served in excess of site licensed capacity.

LITTLE COUNTRY SCHOOL  
CHILD AND ADULT CARE FOOD PROGRAM – INDEPENDENT CENTERS  
SCHEDULE OF REPORTED, ADJUSTED, AND ALLOWED MEALS  
FOR THE PERIOD OCTOBER 1, 1998 TO SEPTEMBER 30, 1999

	<u>Reported</u> <u>Jan 1, 1999 to Jan 30, 1999</u>	<u>Adjusted</u>	<u>Allowed</u>	<u>Reported</u> <u>Feb 1, 1999 to Feb 28, 1999</u>	<u>Adjusted</u>	<u>Allowed</u>	<u>Reported</u> <u>Mar 1, 1999 to Mar 31, 1999</u>	<u>Adjusted</u>	<u>Allowed</u>
<b>Breakfast</b>									
Free	15,879	0	15,879	16,054	0	16,054	20,442	0	20,442
Reduced	2,095	0	2,095	2,008	0	2,008	2,459	0	2,459
Base	<u>2,329</u>	<u>0</u>	<u>2,329</u>	<u>2,342</u>	<u>0</u>	<u>2,342</u>	<u>2,851</u>	<u>0</u>	<u>2,851</u>
Total	<u>20,303</u>	<u>0</u>	<u>20,303</u>	<u>20,404</u>	<u>0</u>	<u>20,404</u>	<u>25,752</u>	<u>0</u>	<u>25,752</u>
<b>Lunch</b>									
Free	22,804	0	22,804	22,446	0	22,446	28,886	0	28,886
Reduced	3,009	0	3,009	2,807	0	2,807	3,475	0	3,475
Base	<u>3,345</u>	<u>0</u>	<u>3,345</u>	<u>3,275</u>	<u>0</u>	<u>3,275</u>	<u>4,029</u>	<u>0</u>	<u>4,029</u>
Total	<u>29,158</u>	<u>0</u>	<u>29,158</u>	<u>28,528</u>	<u>0</u>	<u>28,528</u>	<u>36,390</u>	<u>0</u>	<u>36,390</u>
<b>Supplements</b>									
Free	29,808	0	29,808	29,956	0	29,956	34,657	0	34,657
Reduced	3,933	0	3,933	3,746	0	3,746	4,170	0	4,170
Base	<u>4,372</u>	<u>0</u>	<u>4,372</u>	<u>4,371</u>	<u>0</u>	<u>4,371</u>	<u>4,833</u>	<u>0</u>	<u>4,833</u>
Total	<u>38,113</u>	<u>0</u>	<u>38,113</u>	<u>38,073</u>	<u>0</u>	<u>38,073</u>	<u>43,660</u>	<u>0</u>	<u>43,660</u>
<b>Supper</b>									
Free	11,215	0	11,215	11,499	0	11,499	18,243	0	18,243
Reduced	1,480	0	1,480	1,438	0	1,438	2,195	0	2,195
Base	<u>1,644</u>	<u>0</u>	<u>1,644</u>	<u>1,678</u>	<u>0</u>	<u>1,678</u>	<u>2,544</u>	<u>0</u>	<u>2,544</u>
Total	<u>14,339</u>	<u>0</u>	<u>14,339</u>	<u>14,615</u>	<u>0</u>	<u>14,615</u>	<u>22,982</u>	<u>0</u>	<u>22,982</u>

LITTLE COUNTRY SCHOOL  
CHILD AND ADULT CARE FOOD PROGRAM – INDEPENDENT CENTERS  
SCHEDULE OF REPORTED, ADJUSTED, AND ALLOWED MEALS  
FOR THE PERIOD OCTOBER 1, 1998 TO SEPTEMBER 30, 1999

	<u>Reported</u> <u>Apr 1, 1999 to Apr 30, 1999</u>	<u>Adjusted</u>	<u>Allowed</u>	<u>Reported</u> <u>May 1, 1999 to May 31, 1999</u>	<u>Adjusted</u>	<u>Allowed</u>	<u>Reported</u> <u>Jun 1, 1999 to Jun 30, 1999</u>	<u>Adjusted</u>	<u>Allowed</u>
<b>Breakfast</b>									
Free	19,930	0	19,930	18,265	0	18,265	21,152	0	21,152
Reduced	2,550	0	2,550	2,337	0	2,337	2,706	0	2,706
Base	<u>3,226</u>	<u>0</u>	<u>3,226</u>	<u>2,957</u>	<u>0</u>	<u>2,957</u>	<u>3,424</u>	<u>0</u>	<u>3,424</u>
Total	<u>25,706</u>	<u>0</u>	<u>25,706</u>	<u>23,559</u>	<u>0</u>	<u>23,559</u>	<u>27,282</u>	<u>0</u>	<u>27,282</u>
<b>Lunch</b>									
Free	28,406	0	28,406	27,005	0	27,005	29,389	0	29,389
Reduced	3,635	0	3,635	3,455	0	3,455	3,760	0	3,760
Base	<u>4,598</u>	<u>0</u>	<u>4,598</u>	<u>4,372</u>	<u>0</u>	<u>4,372</u>	<u>4,758</u>	<u>0</u>	<u>4,758</u>
Total	<u>36,639</u>	<u>0</u>	<u>36,639</u>	<u>34,832</u>	<u>0</u>	<u>34,832</u>	<u>37,907</u>	<u>0</u>	<u>37,907</u>
<b>Supplements</b>									
Free	34,588	0	34,588	32,897	0	32,897	35,499	0	35,499
Reduced	4,426	0	4,426	4,209	0	4,209	4,542	0	4,542
Base	<u>5,599</u>	<u>0</u>	<u>5,599</u>	<u>5,325</u>	<u>0</u>	<u>5,325</u>	<u>5,747</u>	<u>0</u>	<u>5,747</u>
Total	<u>44,613</u>	<u>0</u>	<u>44,613</u>	<u>42,431</u>	<u>0</u>	<u>42,431</u>	<u>45,788</u>	<u>0</u>	<u>45,788</u>
<b>Supper</b>									
Free	17,118	0	17,118	16,094	0	16,094	17,786	0	17,786
Reduced	2,190	0	2,190	2,059	0	2,059	2,276	0	2,276
Base	<u>2,771</u>	<u>0</u>	<u>2,771</u>	<u>2,606</u>	<u>0</u>	<u>2,606</u>	<u>2,879</u>	<u>0</u>	<u>2,879</u>
Total	<u>22,079</u>	<u>0</u>	<u>22,079</u>	<u>20,759</u>	<u>0</u>	<u>20,759</u>	<u>22,941</u>	<u>0</u>	<u>22,941</u>

LITTLE COUNTRY SCHOOL  
CHILD AND ADULT CARE FOOD PROGRAM – INDEPENDENT CENTERS  
SCHEDULE OF REPORTED, ADJUSTED, AND ALLOWED MEALS  
FOR THE PERIOD OCTOBER 1, 1998 TO SEPTEMBER 30, 1999

	<u>Reported</u> <u>Jul 1, 1999 to Jul 30, 1999</u>	<u>Adjusted</u>	<u>Allowed</u>	<u>Reported</u> <u>Aug 1, 1999 to Aug 30, 1999</u>	<u>Adjusted</u>	<u>Allowed</u>	<u>Reported</u> <u>Sep 1, 1999 to Sep 30, 1999</u>	<u>Adjusted</u>	<u>Allowed</u>
<b>Breakfast</b>									
Free	20,070	0	20,070	21,932	0	21,932	21,136	0	21,136
Reduced	2,583	0	2,583	2,839	0	2,839	2,750	0	2,750
Base	<u>3,254</u>	<u>0</u>	<u>3,254</u>	<u>3,426</u>	<u>0</u>	<u>3,426</u>	<u>3,284</u>	<u>0</u>	<u>3,284</u>
Total	<u>25,907</u>	<u>0</u>	<u>25,907</u>	<u>28,197</u>	<u>0</u>	<u>28,197</u>	<u>27,170</u>	<u>0</u>	<u>27,170</u>
<b>Lunch</b>									
Free	27,974	0	27,974	29,889	0	29,889	28,805	0	28,805
Reduced	3,600	0	3,600	3,870	0	3,870	3,747	0	3,747
Base	<u>4,535</u>	<u>0</u>	<u>4,535</u>	<u>4,668</u>	<u>0</u>	<u>4,668</u>	<u>4,477</u>	<u>0</u>	<u>4,477</u>
Total	<u>36,109</u>	<u>0</u>	<u>36,109</u>	<u>38,427</u>	<u>0</u>	<u>38,427</u>	<u>37,029</u>	<u>0</u>	<u>37,029</u>
<b>Supplements</b>									
Free	33,465	0	33,465	35,814	0	35,814	34,163	0	34,163
Reduced	4,307	0	4,307	4,637	0	4,637	4,444	0	4,444
Base	<u>5,426</u>	<u>0</u>	<u>5,426</u>	<u>5,594</u>	<u>0</u>	<u>5,594</u>	<u>5,310</u>	<u>0</u>	<u>5,310</u>
Total	<u>43,198</u>	<u>0</u>	<u>43,198</u>	<u>46,045</u>	<u>0</u>	<u>46,045</u>	<u>43,917</u>	<u>0</u>	<u>43,917</u>
<b>Supper</b>									
Free	17,129	0	17,129	18,901	0	18,901	17,829	0	17,829
Reduced	2,204	0	2,204	2,447	0	2,447	2,319	0	2,319
Base	<u>2,778</u>	<u>0</u>	<u>2,778</u>	<u>2,952</u>	<u>0</u>	<u>2,952</u>	<u>2,771</u>	<u>0</u>	<u>2,771</u>
Total	<u>22,111</u>	<u>0</u>	<u>22,111</u>	<u>24,300</u>	<u>0</u>	<u>24,300</u>	<u>22,919</u>	<u>0</u>	<u>22,919</u>

LITTLE COUNTRY SCHOOL  
CHILD AND ADULT CARE FOOD PROGRAM – INDEPENDENT CENTERS  
SCHEDULE OF REPORTED, ADJUSTED, AND ALLOWED ENROLLMENT  
FOR THE PERIOD OCTOBER 1, 1998 TO SEPTEMBER 30, 1999

**FIXED PERCENTAGE METHOD**

<u>Enrollment</u>	<u>Oct</u>	<u>Nov</u>	<u>Dec</u>	<u>Jan</u>	<u>Feb</u>	<u>Mar</u>	<u>Apr</u>	<u>May</u>	<u>Jun</u>	<u>Jul</u>	<u>Aug</u>	<u>Sep</u>
<b>Total</b>												
Reported	1475	1597	1657	1657	1637	1697	1825	1825	1825	1855	1917	1927
Adjusted	0	0	0	0	0	0	0	0	0	0	0	0
Allowed	1475	1597	1657	1657	1637	1697	1825	1825	1825	1855	1917	1927
<b>Free</b>												
Reported	1167	1243	1296	1296	1288	1347	1415	1415	1415	1437	1491	1499
Adjusted	0	0	0	0	0	0	0	0	0	0	0	0
Allowed	1167	1243	1296	1296	1288	1347	1415	1415	1415	1437	1491	1499
<b>Reduced</b>												
Reported	156	171	171	171	161	162	181	181	181	185	193	195
Adjusted	0	0	0	0	0	0	0	0	0	0	0	0
Allowed	156	171	171	171	161	162	181	181	181	185	193	195
<b>Base</b>												
Reported	152	183	190	190	188	188	229	229	229	233	233	233
Adjusted	0	0	0	0	0	0	0	0	0	0	0	0
Allowed	152	183	190	190	188	188	229	229	229	233	233	233

LITTLE COUNTRY SCHOOL  
CHILD AND ADULT CARE FOOD PROGRAM – INDEPENDENT CENTERS  
DETERMINATION OF ALLOWABLE ADMINISTRATIVE COSTS  
**FOR THE PERIOD OCTOBER 1, 1998 TO SEPTEMBER 30, 1999**

(A).	Net Administrative Costs Allowed – Actual	<u>\$465,734.74</u>
(B).	Total Approved Administrative Budget	<u>\$516,733.00</u>
(C).	Total Maximum Funds Available to Retain	<u>\$474,738.69</u>
(D).	Total Reported Funds Retained by Sponsor	<u>\$489,416.11</u>
(E).	Total Allowed Funds Retained (Per Audited Meals)	<u>\$489,110.51</u>
<u>Allowable Administrative Costs</u>		
(1).	Net Administrative Costs Allowed – Actual	\$465,734.74
	Less Total Reported Funds Retained by Sponsor	<u>489,416.11</u>
	Total Excess Funds Retained	\$ <u>23,681.37</u>
(2).	Net Administrative Costs Allowed – Actual	\$465,734.74
	Less Total Allowed Funds Retained (Per Audited Meals)	<u>489,110.51</u>
	Excess Funds Retained – Funds Owed to Centers	\$ <u>23,375.77*</u>
(3).	Total Reported Funds Retained by Sponsor	\$489,416.11
	Less Total Allowed Funds Retained (Per Audited Meals)	<u>489,110.51</u>
	Excess Funds Retained – Funds Due The State	\$ <u>305.60</u>

Footnote:

\*Include in Findings and Recommendation Section.

LITTLE COUNTRY SCHOOL  
CHILD AND ADULT CARE FOOD PROGRAM – INDEPENDENT CENTERS  
SCHEDULE OF ALLOWED ADMINISTRATIVE COSTS  
**FOR THE PERIOD OCTOBER 1, 1998 TO SEPTEMBER 30, 1999**

<u>Period</u>	<u>Reported</u>	<u>Adjusted</u>	<u>Allowed</u>
October	\$33,904.69	\$ (200.00)	\$33,704.69
November	34,654.52	(45.00)	34,609.52
December	38,673.15	0.00	38,673.15
January	38,656.53	1,090.00	39,746.53
February	33,543.02	0.00	33,543.02
March	39,476.97	(25.98)	39,450.99
April	43,238.36	0.00	43,238.36
May	43,553.55	0.00	43,553.55
June	38,116.88	(771.00)	37,345.88
July	38,233.31	0.00	38,233.31
August	40,501.31	0.00	40,501.31
September	<u>43,182.45</u>	<u>0.00</u>	<u>43,182.45</u>
Total	<u>\$465,734.74</u>	<u>\$48.02</u>	\$465,782.76
Income			( <u>48.02</u> )
Net Allowed Administrative Costs			<u>\$465,734.74</u>



LITTLE COUNTRY SCHOOL  
CHILD AND ADULT CARE FOOD PROGRAM – INDEPENDENT CENTERS  
SCHEDULE OF ALLOWED FUNDS RETAINED  
FOR THE PERIOD OCTOBER 1, 1998 TO SEPTEMBER 30, 1999

Period	(1) Funds Received From NSD (Federal and State)	(2) Funds Paid To Center By Sponsor	(3) Funds Retained By Sponsor	(4) (1)/(3) Percentage of Funds Retained	(5) Sponsor's Adjustments Overpayment) Underpayment	(6) Allowed Funds Retained	(7) Center's Adjustment (Overpayment) Underpaid
October	\$202,688.09	\$166,912.41	\$35,775.68	0.3075	\$(305.60)	\$35,470.08	\$(688.26)
November	105,863.73	73,358.20	32,505.53	0.3071	0.00	32,505.53	0.00
December	124,048.65	85,962.44	38,086.21	0.3070	0.00	38,086.21	0.00
January	109,640.87	75,971.38	33,669.49	0.3071	0.00	33,669.49	0.00
February	109,234.94	75,662.02	33,572.92	0.3073	0.00	33,572.92	0.00
March	144,668.71	100,366.18	44,302.53	0.3062	0.00	44,302.53	0.00
April	141,674.42	98,403.90	43,270.52	0.3054	0.00	43,270.52	0.00
May	133,451.92	92,703.98	40,747.94	0.3053	0.00	40,747.94	0.00
June	147,257.70	102,215.36	45,042.34	0.3059	0.00	45,042.34	0.00
July	144,434.66	98,531.58	45,903.08	0.3178	0.00	45,903.08	0.00
August	156,259.00	107,190.68	49,068.32	0.3140	0.00	49,068.32	0.00
September	149,629.82	102,158.27	47,471.55	0.3173	0.00	47,471.55	0.00
Totals	<u>\$1,668,852.51</u>	<u>\$1,179,436.40</u>	<u>\$489,416.11</u>		<u>\$(305.60)</u>	<u>\$489,110.51</u>	<u>\$(688.26)</u>

Meal Type	Reported Lunch	Allowed Lunch	Adjusted		REIMBURSEMENT RATE**	
Free	23,842	23,446	(396)	X	2.0900	\$(827.64)
Reduced	3,188	3,135	(53)	X	1.6900	(89.57)
Base	<u>3,104</u>	<u>3,053</u>	<u>(51)</u>	X	.3275	<u>(16.70)</u>
Total Meals	<u>30,134</u>	<u>29,634</u>	<u>(500)</u>			<u>(933.91)</u>

STATE MEAL COMPENSATION (396) + (53) = (449) X .1335 (59.94)  
Total Program Reimbursement (State and Federal) Overpaid - Refund due the State \$(993.85)

Funds owed the State

Funds Owed To The State From The Sponsor \$ (305.60)  
Funds Owed To The Sponsor From The Center(s) (688.26)  
Rounding Adjustment .01  
Total Program Reimbursement Owed the State \$(993.85)

Footnotes:

\*\* Rate includes Cash-in-Lieu of Commodities  
\* Includes Rounding Error

## LITTLE COUNTRY SCHOOL

**Reconciliation of the Reported, Adjusted and Allowed Meals, Earned Reimbursements, and  
Statement of Claim to the State Fiscal Year Ended June 30, 1999**

	<b>Federal</b>		<b>7/1/99</b>		<b>State</b>
	<b>Year Ended</b>	<b>ELIMINATION</b>	<b>THRU</b>	<b>Fiscal</b>	
	<b>09/30/99</b>	<b>7/1/99-9/30/99</b>	<b>9/30/99</b>	<b>6/30/99</b>	
<b>STATEMENT OF CLAIM:</b>					
ash	\$	\$	\$	\$	
Reimbursement per Examination	1,761,332	(140,333)	152,500	1,773,499	
Program Reimbursements Claims and Received	<u>1,762,326</u>	<u>(140,333)</u>	<u>153,200</u>	<u>1,775,193</u>	
Amount Due From(To) Sponsor	<u><u>994</u></u>	<u><u>(0)</u></u>	<u><u>700</u></u>	<u><u>1,694</u></u>	
<b>ADJUSTED MEALS:</b>					
<b>Lunch(Oct/98):</b>					
Free	(396)	0	0	(396)	
Reduced	(53)	0	0	(53)	
Base	<u>(51)</u>	<u>0</u>	<u>0</u>	<u>(51)</u>	
Total:	<u><u>(500)</u></u>	<u><u>0</u></u>	<u><u>0</u></u>	<u><u>(500)</u></u>	
<b>Breakfast(Aug./98):</b>					
Free	0	0	(284)	(284)	
Reduced	0	0	(39)	(39)	
Base	0	0	(37)	(37)	
Total:	0	0	(360)	(360)	
General Reimbursement	\$ (860)	\$ 0	\$ (600)	(1,460)	
Cash-in-Lieu	<u>(74)</u>	<u>0</u>	<u>(65)</u>	<u>(139)</u>	
State Meal Reimbursement	<u>(60)</u>	<u>0</u>	<u>(35)</u>	<u>(95)</u>	
Total Adjustment	<u><u>(994)</u></u>	<u><u>0</u></u>	<u><u>(700)</u></u>	<u><u>(1,694)</u></u>	
<b>FUNDS RETAINED:</b>					
Funds Retained by Sponsor	\$ 489,416	\$ (122,354)	\$ 123,205	\$ 490,267	
Allowed Funds Retained	489,110	(122,354)	122,989	489,745	
Funds Owed to the State From the Sponsor	<u>(306)</u>	<u>0</u>	<u>(216)</u>	<u>(522)</u>	
Funds Owed to the Sponsor From the Center(s)	<u>(688)</u>	<u>0</u>	<u>(484)</u>	<u>(1,172)</u>	
Total Program Reimbursement Owed the State	<u><u>(994)</u></u>	<u><u>0</u></u>	<u><u>(700)</u></u>	<u><u>(1,694)</u></u>	
<b>ADMINISTRATIVE COSTS:</b>					
Adjusted income	\$ <u><u>48</u></u>	\$ <u><u>0</u></u>	\$ <u><u>50</u></u>	\$ <u><u>98</u></u>	

**LITTLE COUNTRY SCHOOL**  
**Statement of Monetary Claims and Questioned Costs**  
Agreement No.: xx-xxxx-x-M

19X9 Child and Adult Care Food Program  
For the Period October 1, 19X8 to September 30, 19X9

<u>Detail No.:</u>	<u>Description of Exception</u>	<u>Amount</u>
1	Finding X9-1	\$
2	Finding X9-3	\$
3		
4		
Total to be Collected from Agency/Reimbursed to Agency:		<hr/>
		\$ _____:

LITTLE COUNTRY SCHOOL  
**Notes to the Schedules**  
Agreement No.: xx-xxxx-x-M

19X9 Child and Adult Care Food Program  
For the Period October 1, 19X8 to September 30, 19X9

**NOTE 1: GENERAL INFORMATION**

Little Country School (the Agency) was incorporated as a non-profit corporation in 1967 to provide educational programs for the care of children outside their homes. The Agency has been granted tax-exempt status by the Internal Revenue Service under Section 501©(3) and California Franchise Tax Board under Section 23701(d). The Agency is funded by the California Department of Education (CDE). Also, the Agency receives funds from private donations. This report includes an opinion only on the activity of the CACFP program. The source of funding for the CACFP program is the United States Department of Agriculture and CDE.

**NOTE 2: CLAIM PREPARATION**

Fixed Percentage Claiming Method:

The Fixed Percentage Claiming Method requires each Agency to accurately categorize and report the enrollment data by eligibility category (i.e. free, reduced-price and base) at least one time of the fiscal year. The percentages established become the Agency's "fixed" percentage for the fiscal year. Meals claimed are reimbursed based on the calculated fixed percentages for each category. The fixed percentages remain in effect for the entire fiscal year unless the Agency chooses to submit new enrollment data in order to adjust the percentages and maximize reimbursement. However, an agency must submit new enrollment data during the year if (1) the agency adds a new site, (2) the average daily participation for the claim month exceeds the total enrollment previously reported, or (3) to correct a reporting error.

The percentage for each category becomes the Agency's "fixed" percentage used to determine reimbursement for the fiscal year. Meals claimed are reimbursed based on the calculated "fixed" percentages for each category. The percentages may be adjusted by the Agency to either accurately categorize or submit new enrollment data into free, reduced price, and base rate in order to maximize reimbursement should new facilities be added or others deleted.

Accountant's Letterhead

**Report on Compliance and on Internal Control Over Financial Reporting  
Based on an Examination of the Statement of Claim Performed in  
Accordance With Government Auditing and Attestation Standards**

Board of Directors  
Little Country School

We have examined the accompanying statement of claims for reimbursement submitted by **Little Country School** under the Child and Adult Care Food Program (CACFP) (Sponsor Agreement No. xx-xxxx-x-M) as summarized in the Statement of Claim for the period from October 1, 19X8 through September 30, 19X9 and have issued our report thereon dated November XX, 19X9. We conducted our examination in accordance with the *Statement of Standards of Attestation Engagements* established by the American Institute of Certified Public Accountants and with generally accepted auditing standards; the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States and included tests of the program and accounting records prescribed by the Office of the Inspector General of the United States Department of Agriculture (OIG-USDA), as set forth in its *Audit Guide for Audits of Child and Adult Care Food Program Institutions*, No. 27029-2, dated February 18, 1999, for examinations of this program.

Compliance

As part of obtaining reasonable assurance about whether the **Little Country School** statement of CACFP claims for reimbursement as summarized in the Statement of Claim is free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our examination and, accordingly, we do not express such an opinion. The results of our tests disclosed one instance of material noncompliance that is required to be reported under *Government Auditing Standards* which is described in the accompanying schedule of findings and questioned costs as items, X9-1.

Internal Control Over Financial Reporting

In planning and performing our examination, we considered **Little Country School's** internal control over financial reporting in order to determine our examination procedures for the purpose of expressing our opinion on the Statement of Claim and not to provide assurance on the internal control over financial reporting. However, we noted a certain matter involving the internal control over financial reporting and its operations that we consider to be a reportable condition. Reportable conditions involve matters coming to our attention relating to significant deficiencies in the design or operation of the internal control over financial reporting that, in our judgment, could adversely affect **Little Country School's** ability to record, process, summarize and report financial data consistent with the assertions of management in the Statement of Claim. A reportable condition is described in the accompanying schedule of findings and questioned costs as item, X9-2.

A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the Statement of Claim being examined may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses and, accordingly, would not necessarily disclose all reportable conditions that are also considered to be material weaknesses.

However, we do not believe the reportable condition described above is a material weakness. We also noted other matters involving the internal control over financial reporting and compliance that we have reported to management of **Little Country School** in a separate letter dated November XX, 19X9.

This report is intended for the information of the audit committee, management and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than those specified parties.

Bean, Bean & Counter  
Certified Public Accountants

November XX, 19X9

Accountant's Letterhead

**Independent Accountant's Report on Compliance With Requirements Applicable  
to the Federal Program and on Internal Control Over Compliance and  
Financial Reporting in Accordance With the Program-Specific Audit Option  
Under OMB Circular A-133 and Attestation Standards Made as a Part  
of a Program-Specific Examination of the Statement of Claim**

Board of Directors  
Little Country School

Compliance

We have examined management's assertion about **Little Country School's** compliance with the types of compliance requirements described in the *U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement* that are applicable to the Child and Adult Care Food Program (CACFP) included in the accompanying statement of claims for reimbursement submitted by the Sponsor in Agreement No. xx-xxxx-x-M as summarized in the Statement of Claim is adequate to meet the criteria established by the Office of the Inspector General of the United States Department of Agriculture (OIG-USDA), as set forth in its *Audit Guide for Audits of Child and Adult Care Food Program Institutions*, No. 27029-2, dated February 18, 1999. Compliance with requirements of laws, regulations, contracts, and grants applicable to its major federal program is the responsibility of **Little Country School's** management. Our responsibility is to express an opinion on **Little Country School's** compliance based on our examination.

We conducted our examination of compliance in accordance with generally accepted auditing standards; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*; and the *Statement of Standards of Attestation Engagements* established by the American Institute of Certified Public Accountants and included tests of the program and accounting records prescribed by the *Audit Guide for Audits of Child and Adult Care Food Program Institutions*, No. 27029-2, issued by the Office of the Inspector General of the United States Department of Agriculture (OIG-USDA) for examinations of this program. Those standards and OMB Circular A-133 require that we plan and perform the examination to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on the CACFP occurred. An examination includes testing evidence about **Little Country School's** compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our examination provides a reasonable basis for our opinion. Our examination does not provide a legal determination of **Little Country School's** compliance with those requirements

In our opinion, **Little Country School 's** assertion that it complied with the requirements referred to above that are applicable to its CACFP for the year ended September 30, 19X9, is fairly stated , in all material respects. However, the results of our examination procedures disclosed instances of noncompliance with those requirements, which are required to be reported in accordance with OMB Circular A-133 and which are described in the accompanying schedule of findings, and Questioned Costs as item X9-3.

### Internal Control Over Compliance

The management of **Little Country School** is responsible for establishing and maintaining effective control over compliance with the requirements of laws, regulations, contracts, and grants applicable to federal programs. In planning and performing our examination, we considered **Little Country School's** internal control over compliance with requirements that could have a direct and material effect on its CACFP in order to determine our examination procedures for the purpose of expressing our opinion on compliance and to test and report on the internal control over compliance in accordance with OMB Circular A-133.

We noted certain matters involving the internal control over compliance and its operation that we consider to be reportable conditions. Reportable conditions involve matters coming to our attention relating to significant deficiencies in the design or operation of the internal control over compliance that, in our judgment, could adversely affect **Little Country School's** ability to administer a major federal program in accordance with the applicable requirements of laws, regulations, contracts, and grants. Reportable conditions are described in the accompanying schedule of findings and questioned costs as item X9-4.

A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that noncompliance with the applicable requirements of laws, regulations, contracts, and grants that would be material in relation to a major federal program being examined may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. Our consideration of the internal control over compliance would not necessarily disclose all matters in the internal control that might be reportable conditions and, accordingly, would not necessarily disclose all reportable conditions that are also considered to be material weaknesses. However, the reportable condition described above is considered to be a material weakness.

We have also identified immaterial instances of noncompliance and internal control weaknesses that we have reported to the management of **Little Country School** in a separate letter dated November XX, 19X9.

This report is intended for the information of the audit committee, management and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than those specified parties.

Bean, Bean & Counter  
Certified Public Accountants

November XX, 19X9



**LITTLE COUNTRY SCHOOL**  
**Schedule of Findings, Questioned Costs and Recommendations**

Year Ended September 30, 19X9

**A. Summary of Accountant's Results**

**I. Statement of Claim Examination**

1. The Independent Accountant's Report on the Statement of Claim of Little Country School expressed an unqualified opinion.
2. Internal Control over Financial Reporting:
  - a. Reportable conditions were disclosed in the examination of the Statement of Claim.
  - b. One of the reportable conditions, in 2a above, was considered to be a material weakness.
  - c. Non-compliance was disclosed and is material to the Statement of Claim.

**II. Federal Award Examination**

The USDA Child and Adult Care Food Program, CFDA number, 10.558, passed-through CDE's Nutrition Services Division is considered a major program as a result of II.3 below.

1. Internal Controls Over Major Programs:
  - a. One material weaknesses was disclosed in the examination of the federal award.
2. Two examination findings are reported in B.II, Findings and Questioned Costs, in accordance with OMB Circular A-133, Section 510(a).
3. Little Country School did not qualify as a low-risk auditee under OMB Circular A- 133, section 530.

LITTLE COUNTRY SCHOOL  
Schedule of Findings, Questioned Costs and Recommendations

Year Ended September 30, 19X9

**B. Findings and Questioned Costs:**

**I. Statement of Claim Examination**

Questioned  
Cost

**Reportable Conditions**

**Finding X9-1**

\$

Condition: Our test of the ....

We believe that this reportable condition is a material weakness. An adjustment of \$

was made to

Criteria: USDA regulation, ,

Cause: Lack of proper

Effect: \$

Recommendation: Implement procedures to

Response: Management

**Finding X9-2**

\$

Condition: Our test of ...

We do not believe that this reportable condition is a material weakness.

Criteria: USDA regulation, , states that

Cause: Lack of proper management oversight.

Effect: \$

Recommendation: Implement procedures to

LITTLE COUNTRY SCHOOL  
**Schedule of Findings, Questioned Costs and Recommendations**

Year Ended September 30, 19X9

**B. Findings and Questioned Costs (continued):**

II. Federal Award Program Examination

Questioned  
Cost :

**Finding X9-3** Eligibility

\$

Condition: During our review of the eligibility records of the ...

We believe that this condition is a material weakness and a financial adjustment of \$        was necessary.

Criteria: USDA regulation,                      , states that

Cause: Inadequate

Effect: Population of        , or        %. This represents \$

Recommendation: Periodic reviews should be made of the center's attendance records to ensure proper eligibility                      records                      for                      the

Response: Management has implemented periodic review procedures for all key staff.

**Finding X9-4**

\$

**Material Weakness**

Condition: Our review of the ...

We believe that this condition is a material weakness. No financial adjustment was necessary.

Criteria: USDA regulation,                      , states that the sponsor

Cause:

Effect:

Recommendation: Implement improved

Response: Management has implemented improved

LITTLE COUNTRY SCHOOL  
Schedule of Findings, Questioned Costs and Recommendations

Year Ended September 30, 19X9

**C. Status of Prior Year Findings:**

Questioned  
Cost :

**I. Statement of Claim Examination**

**Reportable Conditions**

**19X8 - Finding 1:**

\$

Condition: Our inspection of the  
We do not believe that this reportable condition is a material weakness.

Criteria: USDA regulation, ,

Cause: Lack of

Effect: A total of \$

Recommendation: Implement procedures to monitor

Response: The recommendation was implemented by management in November 19X8. No similar findings were noted in the 19X9 examination.

**II. Major Federal Award Programs Examination**

**Material Weaknesses**

**19X8 – None**

\$ None

LITTLE COUNTRY SCHOOL  
**Management Letter**

Year Ended September 30, 19X9

Board of Directors  
Little Country School

In planning and performing our examination of the statement of claims for reimbursement submitted by **Little Country School** under the Child and Adult Care Food Program (CACFP) (Sponsor Agreement No. xx-xxxx-x-M) as summarized in the Statement of Claim as of, and for the year ended, September 30, 19X9 , we considered its internal controls and affect on compliance in order to determine our examination procedures for the purpose of expressing our opinion on the aforementioned claims and to provide assurance on its accounting and management controls. However, we noted certain matters involving the internal controls of **Little Country School** and its operation that we considered to be reportable conditions under standards established by the American Institute of Certified Public Accountants, and nonmaterial instances of noncompliance under criteria prescribed in the *Audit Guide for Audits of Child and Adult Care Food Program Institutions*, No. 27029-2, dated February 18, 1999, issued by the Office of the Inspector General of the United States Department of Agriculture (OIG-USDA) for examinations of this program. Reportable conditions involve matters coming to our attention relating to significant deficiencies in the design and operation of the internal accounting and management controls, that in our judgment, could adversely affect the organization's ability to record, process, summarize, and report financial data consistent with the assertions of management in the statement of CACFP claims for reimbursement.

The nonmaterial instances of noncompliance and internal control weaknesses are described as follows:

1. ....

2. ....

The information contained in this report is intended for the information of the audit committee, management and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than those specified parties.

Bean, Bean & Counter  
Certified Public Accountants

November XX, 19X9



